



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 29, 1994

CERTIFIED RETURN RECEIPT
P 074 978 894

Mr. Byron Ray
1743 East 2980 South
Salt Lake City, Utah 84106

Re: Site Inspection, Cudahy Mine, S/027/043, Millard County, Utah

Dear Mr. Ray:

Please find enclosed a copy of a recent Division inspection memo for the Cudahy Mine. In compliance with the Utah Mined Land Reclamation Act of 1975 (the "Act"), Mr. Thomas Clark filed a Small Mining Operations Notice of Intent (NOI) to mine pumice from this property on September 30, 1992. As part of his 1993 annual report filing, Mr. Clark notified us that he had not conducted any mining or removed any pumice from this mine site since he filed his original notice in 1992. He is now requesting that his small mining notice be terminated and that he not be held accountable for the reclamation of any surface disturbances associated with the mine site. He indicated that he had not mined or removed any pumice from the property because of some form of dispute involving property ownership or lease arrangements(?). He stated that it was his understanding that another operator(s) had been removing pumice from the mine site. He indicated he was not associated with that operator and had no knowledge of who the operator was.

It is our understanding that you are the claimant/owner of the patented mining claims for the Cudahy mine. Mining activities conducted on privately held land within Utah are subject to compliance with the permitting requirements of the Utah Mined Land Reclamation Act (Title 40-8, et seq., 1975, as amended). An operator who fails to file a permit application and receive Division acceptance or approval to conduct exploration or mining activities on federal, state or private lands, may be found in direct violation of the Act and its interpretive rules.

Section 40-8-9 of the Act, states that an intentional or knowing violation of the Act may subject the violator to fines and penalties of up to \$10,000 per violation. If you or other individuals (lessees) have been actively mining this property since 1975 (the effective

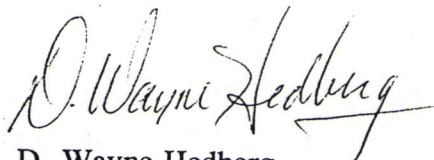
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date of the Act) without a valid mining permit(s) from this Division, the responsible individuals may be found in non-compliance and be subject to appropriate enforcement action and penalties as provided for under the Act.

The Division would appreciate any information you can offer to assist us in resolving this matter. Please provide a written response within 30 days of your receipt of this letter, explaining your knowledge and understanding of the mining-related activities and disturbances that have occurred at the Cudahy Mine (post-1975).

Thank you for your cooperation and attention to this matter. If you have any questions or concerns please call me or Travis Jones of my staff at (801) 538-5340.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosure

cc: Thomas Clark
Ray Mining Company - 884 N Oakwood Cir, Price, Utah 84501 637-6414
Lowell Braxton, DOGM
Minerals staff (route)

S027043.ray